



BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON  
Chairman  
WILLIAM A. MUNDELL  
Commissioner  
JEFF HATCH-MILLER  
Commissioner  
KRISTIN K. MAYES  
Commissioner  
GARY PIERCE  
Commissioner

Arizona Corporation Commission

DOCKETED

JUL 30 2007

DOCKETED BY

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IN THE MATTER OF THE APPLICATION  
OF UTILITY SOURCE, L.L.C.'S REQUEST  
FOR A TARIFF RATE FOR EFFLUENT  
SERVICE

DOCKET NO. WS-04235A-07-0373

DECISION NO. 69733

ORDER

Open Meeting  
July 24 and 25, 2007  
Phoenix, Arizona

BY THE COMMISSION:

On June 18, 2007, Utility Source, L.L.C. ("Utility Source" or "Company") filed a tariff application, Docket No. W-04235A-07-0373, with the Arizona Corporation Commission ("Commission") seeking a tariff rate for the sale of effluent. On July 2, 2007, the Company agreed to a seven-day extension of the time clock so that the Commission could approve, deny, or alter this tariff in this Open Meeting.

\* \* \* \* \*

Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes, and orders that:

FINDINGS OF FACT

1. Utility Source is an Arizona limited liability company. The wastewater utility is located in Coconino County. The Company provides wastewater service to approximately 375 customers in the Bellemont area pursuant to a Certificate of Convenience and Necessity granted by the Commission.

2. The Company seeks a tariff rate for effluent service in this proceeding authorizing the Company to sell effluent at no cost to customers. The Company would provide the effluent service on an "as available" basis at the Company's wastewater treatment plant from a Company-owned standpipe. For customers who desired pipeline service to their property rather than standpipe service, the customer would have to enter into the Company's standard Line Extension Agreement to cover pipeline cost, construction requirements and necessary easements.

3. There is no need for a fair value finding or a full rate case because the impact of the new tariff rate on the Company's revenues is non-existent as the service is being provided at no cost to customers.

4. The Company intends to request an increase in the rate to cover its costs in its next rate case, when cost of service can be determined.

5. Staff recommends approval of the tariff rate for effluent services filed by Utility Source.

#### CONCLUSIONS OF LAW

1. The Company is a public water service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§40-250 and 40-252.

2. The Commission has jurisdiction over the Company and of the subject matter of the application.

3. Staff found that it is in the public interest to provide the Company an effluent service tariff rate for the sale of effluent at no cost because the service aids in meeting the Commission's and the State's goal of water conservation. The effluent service will help conserve groundwater and other water sources by serving as a viable, inexpensive alternative.

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ORDER

IT IS THEREFORE ORDERED that the effluent tariff requested by Utility Source, LLC be and hereby is approved.

IT IS FURTHER ORDERED that the Utility Source, LLC shall file a new tariff sheet as approved herein, as a compliance matter to this docket, within 30 days of the effective date of this decision.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

**BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

  
CHAIRMAN

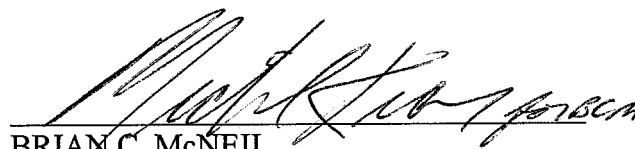
  
COMMISSIONER

  
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COMMISSIONER

IN WITNESS WHEREOF, I BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 30th day of JULY, 2007.

  
BRIAN C. McNEIL  
Executive Director

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

EGJ:DRE:lhv\CH

1 SERVICE LIST FOR: Utility Source, L.L.C  
2 DOCKET NO. WS-04235A-07-0373

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